

TRANSMITTAL SLIP		
TO: <i>np</i>		
ROOM NO.	<i>/CLC</i>	
REMARKS: <i>FYB</i>		
FROM: <i>AD/Budget</i>		
ROOM NO. <i>6E2917</i>	BUILDING <i>FP3</i>	EXTENSION <i>1537</i>

FORM NO. 241
1 FEB 55

REPLACES FORM 36-8
WHICH MAY BE USED.

(47)

25X1A

OSD REVIEW COMPLETED

PB 71-1195
C 71-0698

21 JUL 1971

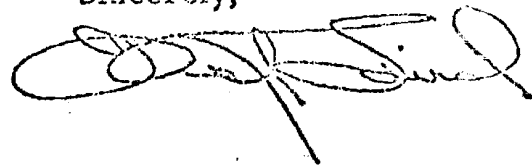
Honorable John C. Stennis
Chairman
Committee on Armed Services
United States Senate
Washington, D. C. 20510

Dear Mr. Chairman:

As requested in your July 13 letter, I am enclosing answers to the five questions with respect to Department of Defense funded activities in Laos. I trust that this information will be of help to the Committee.

With respect to the Committee's hearings on various operations in Laos, as I discussed with you this afternoon, I will be glad to appear Thursday morning, July 22, along with Under Secretary of State Johnson and Ambassador Godley.

Sincerely,



SECRET

WEEK WITH ATTACHMENTS

Sec Def Cont M-1

CAISD (LA)
Control No.

2-71-0706

20
3375

38243

Question 1: In separate columns please set forth (1) the DOD FY 72 program value and (2) the estimated new obligational authority for fiscal year 1972 for each of the activities set forth below:

- (a) Royal Laotian Army
- (b) The neutralist forces as separately categorized
- (c)
- (d) Any other separate element that might be DOD funded

It is assumed that the program value will include the surplus or excess equipment, ammunition, and supplies scheduled to be furnished during FY 72 for each of these elements. There will therefore be two separate totals (Program Value and New Obligational Authority) reflecting use of DOD funds for non-U.S. forces for fiscal year 1972 in connection with the above elements.

Answer: (SECRET)

The data available for military assistance to Laos is distributed as follows:

FY 1972 Military Assistance to Laos

	(\$ in millions)	
	<u>Program Value</u>	<u>Budget</u>
Royal Laotian Army	122.1	76.5
Special Guerrilla Units	99.1	62.0
Total	221.2	138.5

There are some small forces under the control of the Royal Laotian Army (RLA) but not a part of the RLA. The support for these forces is not separately controlled, but is estimated at less than \$5 million.

As noted above, the FY 1972 Program of \$221.2 million for Laos exceeds the \$138.5 million in the budget by \$82.7 million. The program is a management tool utilized by OSD and intermediate commanders to establish a constraint on the total resources to be provided to a country as contrasted to the amounts included in a specific year's appropriation request to the Congress. The program figure will exceed the budget figure for each fiscal year because the program level can be partly supported by stocks which will not require replacement, including excess or long supply stocks.

SECRET

If such stocks are used, they do not count against the budget because they were bought in prior years for U.S. force requirements and are no longer needed for that purpose.

The program, in other words, gives OSD a more precise control because (1) through the program we can examine and approve the item content of our assistance and (2) it establishes a total resource constraint. The budget amounts are the funds needed in the stated fiscal year to procure equipment specifically for the Lao Government and for operation and maintenance support for Lao forces.

25X1 The FY 1972 program for Laos includes \$99.1 million for support of [REDACTED] A portion of their logistic support can be provided from equipment and ammunition that is either in long supply or excess to U.S. military requirements. Since their logistic support is provided through the regular DOD logistic system, specific isolation of support costs for these special forces is not feasible. The budget amount of \$62.0 million shown is therefore an estimate based on the program figures.

25X1A [REDACTED]

Question 2: The estimated cost of air support, tactical or otherwise, furnished by the U.S. in any form in Laos in fiscal year 1972 for other than the trail and immediately adjacent areas in Southern Laos.

Answer: (SECRET)

"Cost of the Air Sorties in Laos Outside the Ho Chi Minh Trail Area"

Costs for FY 1972 will depend on the sortie rates which will be established and the U. S. redeployment and phasedown in Southeast Asia, and cannot be determined at this time.

In fiscal year 1971 (through June 19) U.S. forces have flown 12,337 attack sorties, approximately 2,000 miscellaneous support sorties, and 83 B-52 sorties in Laos outside the Ho Chi Minh Trail area. The distinction between Ho Chi Minh Trail area and the rest of Laos used in this breakout is geographic rather than functional. However, most sorties in the Trail area are interdiction against men and supplies moving southward to South Vietnam and Cambodia, while most strikes outside the Trail area are in support of friendly forces operating in Laos. Additionally, some sorties are not identified by sector and therefore are not included in the above count.

In evaluating the cost per sortie one might include several factors: cost of ordnance and operating expenses, costs relating to the pilot, basing costs, costs related to combat losses, etc. A particularly useful approach is to use the so-called incremental cost,

Such a cost has been calculated for the F-4 at \$11,421* each for the tactical attack sorties and \$33,000 each for the B-52 sorties. Using those figures, the cost of air operations in Laos outside the Ho Chi Minh Trail is approximately:

	(\$ Millions)	
Tacair	135.7	
B-52	2.7	
Miscellaneous	5.0	(Rough Estimate)
	143.4	

However, if we retain our air capability in Southeast Asia and divert back to the Trail area that now utilized outside the Trail, or hold some of the capability in reserve, the savings is significantly reduced. Finally, if we calculate only the munitions cost, the most obvious expense, for the air effort in Laos outside the Trail area, the amount in FY 71 would be

SECRET

SECRET

Question 2 (Continued):(\$ Millions)

Tacair	123.4
B-52	<u>2.6</u>
	126.0

* The incremental cost for an F-4 sortie, for example, comprises:

Munitions	\$5,760
Attrition	2,266
Operations	
Procurement	1,333
O&M	533
Mil. Pers.	<u>1,529</u>
	\$11,421 per sortie

SECRET

Question 3: The amount of economic aid being proposed for Laos for fiscal year 1972. It is realized this element is not handled by DoD but it is requested the information be obtained from other agencies for transmission to us.

Answer: (UNCLASSIFIED)

Economic Assistance

Supporting Assistance

(\$ In Thousands)
50,550

Question 4: If there are any elements in the fiscal year 1972 programs which are not completely firm, please indicate the additional costs of the added elements under consideration.

Answer: (UNCLASSIFIED) There are no other elements of DoD costs under consideration that have not been included in the previous questions and answers.

Question 5: A revised estimate with respect to DoD funds for non-U.S. forces in Thailand and South Vietnam if these estimates have changed from the January 26, 1971, submission.

Answer: (CONFIDENTIAL)

Estimated Amounts Included in Military Functions Appropriations FY 1972 Apportionment Request
For Support of Free World Military Forces in Vietnam, Laos and Thailand
and Related Costs

<u>Appropriation</u>	FY 1972				<u>Total</u>
	<u>South Viet- nam</u>	<u>Korea</u>	<u>Laos</u>	<u>Thai- land</u>	
<u>MILITARY PERSONNEL</u>					
Army	87.7	89.9	8.5	11.9	198.0
Navy	-	1.1	-	.1	1.2
Marine Corps	-	12.7	-	-	12.7
Total	87.7	103.7	8.5	12.0	211.9
<u>OPERATION AND MAINTENANCE</u>					
Army	524.1	50.5	19.9	20.8	615.3
Navy	69.4	.1	-	1.7	71.2
Marine Corps	.3	5.9	-	.6	6.8
Air Force	104.9	.5	33.5	10.0	148.9
Total	698.7	57.0	53.4	33.1	842.2
<u>PROCUREMENT</u>					
Army	846.7	34.1	24.4	15.5	920.7
Navy - Acft & Missiles	-	-	-	.2	.2
- Other Procurement	11.0	-	-	1.4	12.4
- Shipbuilding	-	-	-	-	-
Marine Corps Procurement	1.2	1.1	-	.2	2.5
Air Force - Acft Procurement	113.7	-	10.4	3.4	127.5
- Other Procurement	142.1	-	41.8	2.3	186.2
Total	1,114.7	35.2	76.6	23.0	1,249.5
<u>MILITARY CONSTRUCTION</u>					
Army	-	-	-	-	-
<u>SUMMARY</u>					
Army	1,458.5	174.5	52.8	48.2	1,734.0
Navy	80.4	1.2	-	3.4	85.0
Marine Corps	1.5	19.7	-	.8	22.0
Air Force	260.7	.5	85.7	15.7	462.6
Total	1,901.1	195.9	138.5	68.1	2,303.6

ODASD(C)
June 22, 1971

CONFIDENTIAL